

Exhibit 6

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SECTION 5.0 VENDOR RATING SYSTEM

5.1 DESCRIPTION OF VENDOR RATING SYSTEM

Lockheed and its principal subcontractors have vendor rating systems to rate vendors in relation to their individual quality and service records. While slightly different, each company's system rates supplier quality and delivery performance, has quantifiable and measurable criteria which may be adjusted to generate continuous improvement, and provides clear and unambiguous supplier quality history.

Lockheed's Supplier Rating System (SRS), proven on the C-17 program, is patterned after General Dynamics' system considered to be the industry benchmark. SRS meets the requirements of MIL-STD-1535A "Supplier Quality Assurance Program Requirements" for supplier rating and provides a strong incentive for suppliers to continuously improve their quality and schedule performance. The system makes available computer generated data to identify those suppliers to be considered for future business based on acceptable ratings and to indicate suppliers with unacceptable ratings as candidates for corrective action.

5.2 PROCESS TO EVALUATE SUPPLIERS, SURVEILLANCE METHODS AND STATUS ASSESSMENT

SRS provides supplier ratings for each material commodity code grouping, such as raw materials, electronic equipment/systems and processing. Suppliers are rated in three categories to provide an overall picture of the suppliers performance. The categories are:

- Percent Rejected - The ratio of parts rejected to the quantity of parts received.
- Cost of Quality - The quality costs derived from rejection documents and passed from the appropriate QA system.
- Schedule Performance - The ratio of promised scheduled milestone events met to the total number of scheduled milestone events promised.

In each of the above categories, the supplier is rated 1 through 5, with 4 and 5 being unacceptable. The ratings are:

	Score
• Superior	1
• Above Average	2
• Satisfactory	3
• Below Average	4
• Unsatisfactory	5

Supplier ratings are tabulated by the SRS. The SRS is an interactive system which collects and uses data from the QA systems and the Materiel System 555/566 databases. Additional data is collected from the supplier Materiel Review Board (MRB) documentation, and periodic QA supplier reviews and audits.

When developing bid lists and/or selecting suppliers for purchase order commitment, the supplier's overall rating for the commodity is required. The overall rating is defined as the worst of the three individual ratings.

- Suppliers with an overall rating of 1 through 3 for a given commodity code may be considered in all bidding activity without additional approvals over and above normal management approvals.
- Suppliers rated a 4 or 5 for a given commodity code will require management approvals prior to being placed on bid lists or being considered for purchase order placement.

Suppliers receiving a rating of four are required to initiate corrective action within a specified time-frame, in order to gain approval. Suppliers receiving a five are required to initiate immediate corrective action or be dropped from further consideration.

